



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

JUN 18 1993

Dr. Hatem Abu-Ghazaleh
Chairperson
Society for the Care of the Handicapped
in the Gaza Strip
P.O. Box 146
Gaza, Israel

Subject: Cooperative Agreement HNE-0159-A-00-3049-00
for Services for Handicapped and At-Risk Persons
in the Gaza Strip

Dear Dr. Abu-Ghazaleh:

Pursuant to the authority contained in the Foreign Assistance Act of 1961 and the Federal Grant and Cooperative Agreement Act of 1982, as amended, the Agency for International Development (hereinafter referred to as "A.I.D.") hereby provides to the Society for the Care of the Handicapped in the Gaza Strip (hereinafter referred to as "SCH" or "Recipient") the sum of \$3,500,000 (three million five hundred thousand dollars) to provide financial support for the program described in Attachment 2 of this Cooperative Agreement entitled "Program Description."

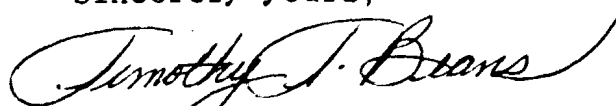
This Cooperative Agreement is effective as of the date of this letter and funds obligated hereunder shall be used to reimburse the Recipient for allowable program expenditures for the period beginning April 1, 1993 as set forth in Section 1B. of Attachment 1 of this Cooperative Agreement.

The total estimated amount of this Cooperative Agreement is \$9,685,000 (nine million six hundred eighty-five thousand dollars), of which the amount of \$3,500,000 is hereby obligated. A.I.D. shall not be liable for reimbursing the Recipient for any costs in excess of the obligated amount. However, subject to Section 1C.4. of Attachment 1, additional funds may be obligated by A.I.D. until such time as the obligated amount may equal the total estimated amount of this Cooperative Agreement.

This Cooperative Agreement is made to the Recipient on the condition that the funds will be administered in accordance with the terms and conditions as set forth in the attachments listed under my signature below, which together constitute the entire Cooperative Agreement document and have been agreed to by your organization.

Please acknowledge receipt and acceptance of this Cooperative Agreement by signing all copies of this Cover Letter, retaining one copy for your files, and returning the remaining copies to the undersigned.

Sincerely yours,



Timothy T. Beans
Cooperative Agreement Officer
FA/OP/B/HNE Branch
Office of Procurement

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions
4. Special Provision entitled "Restrictions on Lobbying"
5. A.I.D. Eligibility Rules/A.I.D. Geographic Codes
6. List of Approved Equipment, Materials and Supplies

ACKNOWLEDGED:

Society for the Care of the Handicapped
in the Gaza Strip

BY: 

TYPED NAME: HATEM ABU GHAZALEH

TITLE: CHAIRMAN

DATE: June 18, 1993

FISCAL DATA

A. GENERAL

A.1.	Total Obligated A.I.D. Amount:	\$3,500,000
A.2.	Unobligated Amount:	\$6,185,000
A.3.	Total Estimated A.I.D. Cooperative Agreement:	\$9,685,000
A.4.	DUNS No.:	99-905-5486

B. SPECIFIC

B.1.(a)	PIO/T No.:	294-0159-3-3632918
B.1.(b)	Appropriation:	72-113/41037
B.1.(c)	Allotment:	370-63-294-01-69-31
B.1.(d)	BPC:	NES3-93-33294-IG-12
B.1.(e)	Amount:	\$3,500,000

SCHEDULE

1A. PURPOSE OF COOPERATIVE AGREEMENT

The purpose of this Cooperative Agreement is to provide partial financial support for the program described in Attachment 2 of this Cooperative Agreement entitled "Program Description."

1B. PERIOD OF COOPERATIVE AGREEMENT

1B.1. The effective date of this Cooperative Agreement is the date of the Cover Letter and the estimated completion date is June 30, 1996. Funds obligated hereunder shall be used to reimburse the Recipient for allowable program expenditures incurred by the Recipient in pursuit of program objectives at any time during the period beginning April 1, 1993 (see Section 1D.4. below) and ending on the estimated completion date.

1B.2. However, because this Cooperative Agreement is incrementally funded (see Section 1C.4. below), funds obligated hereunder are only anticipated to be sufficient for program expenditures through April 1, 1994.

1C. AMOUNT OF COOPERATIVE AGREEMENT AND PAYMENT

1C.1. The total estimated amount of this Cooperative Agreement for its full period, as set forth in Section 1B.1. above, is \$9,685,000.

1C.2. A.I.D. hereby obligates the amount of \$3,500,000 as partial funding of the total estimated amount set forth in Section 1C.1. above for program expenditures during the indicated period set forth in Section 1B. above. Notwithstanding said total estimated amount, A.I.D. shall not be liable for reimbursing the Recipient for any costs in excess of the obligated amount, except as specified in paragraph (f) of the Standard Provision of this Cooperative Agreement entitled "Revision of Cooperative Agreement Budget" (see also Section 1C.4. below).

1C.3. Payment shall be made to the Recipient in accordance with procedures set forth in the Standard Provision of this Cooperative Agreement entitled "Payment - Periodic Advance," as shown in Attachment 3.

1C.4. As indicated in Section 1C.2. above, this Cooperative Agreement is partially funded. During the validity period of this Cooperative Agreement additional increments of funds may be obligated from time to time by AID. Until such time as the obligated amount (see Section 1C.2. above) shall equal the total estimated amount (see Section 1C.1. above) of this Cooperative Agreement, additional increments of funds may be obligated by A.I.D. under this Cooperative Agreement by an amendment, subject to availability of funds, possible evaluation of the program, and the requirements of the Standard Provision of this Cooperative Agreement entitled "Revision of Cooperative Agreement Budget", as set forth in Attachment 3.

1C.5. The total estimated amount of the three-year program described in Attachment 2 of this Cooperative Agreement is at least \$10,760,402, including both cash and in-kind contributions, of which A.I.D. may provide up to the cash amount of \$9,685,000 specified in Section 1C.1. above. (A.I.D. may provide separate funding for independent evaluations of the program). The Recipient and other donors will provide all other funding and in-kind contributions necessary to successfully complete this program.

1D. COOPERATIVE AGREEMENT BUDGET

1D.1. The following is the Budget for the total estimated amount of this Cooperative Agreement (see Section 1C.1. above) for its full period (see Section 1B. above). The Recipient may not exceed the total estimated amount or the obligated amount of this Cooperative Agreement, whichever is less (see Sections 1C.1. and 1C.2., respectively, above). Except as specified in the Standard Provision of this Cooperative Agreement entitled "Revision of Cooperative Agreement Budget," as shown in Attachment 3, the Recipient may adjust line item amounts as may be reasonably necessary for the attainment of program objectives. Revisions to the budget shall be in accordance with Section 1C. above and the Standard Provision entitled "Revision of Cooperative Agreement Budget". For the purpose of revisions, the "line items" are the basic Cost Elements identified in the Budget, i.e. Program Costs and Procurements within the budget for each of the three program components, and Indirect Costs. There are no restrictions on adjustments between the sub-elements within each basic Cost Element. Adjustments between each of the three program components, i.e. Home Based Early Intervention Programs, Speech and Hearing Center and Personnel Training in Gaza, require written prior approval from both the A.I.D. Project Officer and the A.I.D. Cooperative Agreement Officer.

In accordance with the Standard Provisions entitled "Revision of Cooperative Agreement Budget", the Recipient shall immediately request approval from the Cooperative Agreement Officer when there is reason to believe that within the next 30 days a revision of the approved Cooperative Agreement budget will be necessary for the following reasons:

- (1) Changes in the scope or the objectives of the program and/or revisions in the funding allocated among program objectives.
- (2) The need for additional funding.
- (3) The Recipient expects the amount of A.I.D. authorized funds to exceed its needs by more than \$5,000 or five percent of the A.I.D. award, whichever is greater.
- (4) The Recipient plans to transfer funds budgeted for indirect costs to absorb increases in direct costs or vice versa.
- (5) The Recipient intends to contract or subgrant any of the substantive programmatic work under this Cooperative Agreement, and such contracts or subgrants were not included in the approved Cooperative Agreement budget.
- (6) The Recipient plans to incur an expenditure which would require advance approval in accordance with the applicable Federal cost principles and was not included in the approved Cooperative Agreement budget.
- (7) The Recipient plans to transfer funds allotted for training allowances to other categories of expense.

1D.2. Budget

<u>Cost Element</u>	<u>Obligated Amount</u>	<u>Estimated Amount</u>	<u>Total</u>
Cooperative Agreement	4/1/93-7/31/94	08/1/94-6/30/96	4/1/93-6/30/96

Home Based Early Intervention Programs
for Handicapped and Non-Handicapped
At-Risk Children

Program Costs

Direct Salaries
Fringe Benefits
Local Insurance
Travel/Per Diem
Operational Costs
Personnel Training Programs

Procurements

Vehicles/Equipment
Materials/Supplies
Consultants
Construction
Subcontracts

Subtotal on Home Based Early
Intervention Programs

Speech and Hearing Center

Program Costs

Direct Salaries
Fringe Benefits
Local Insurance
Travel/Per Diem
Operational Costs
Personnel Training Programs

Procurements

Vehicles/Equipment
Materials/Supplies
Consultants
Construction
Subcontracts

Subtotal on Speech and Hearing Center

Personnel Training in Gaza with
Lamar University

Program Costs

Direct Salaries
Fringe Benefits
Local Insurance
Travel/Per Diem
Operational Costs
Personnel Training Programs
Continuing Education Credits

Procurements

Vehicles/Equipment
Materials/Supplies
Consultants
Construction
Subcontracts

Subtotal on Personnel Training
in Gaza with Lamar University

SCB Indirect Costs
on Total SCB Direct Salaries 1/

	=====	=====	=====
TOTAL A.I.D. COOPERATIVE AGREEMENT	\$3,500,000	\$6,185,000	\$9,685,000

* / The SCH shall recover indirect expenses up to a maximum of 60% on total SCH direct salaries. The difference between 60% and SCH's actual indirect rate shall be considered cost sharing. If the final audited and negotiated rate(s) for the period(s) of the cooperative agreement is less than 60%, A.I.D. shall only reimburse at the actual final negotiated rate(s) included in a Negotiated Indirect Cost Rate Agreement (NICRA) with the U.S. Government.

1D.3. Inclusion of any cost in the budget of this Cooperative Agreement does not obviate the requirement for prior approval by the Cooperative Agreement Officer of cost items designated as requiring prior approval by the applicable cost principles (see the Standard Provision of this Cooperative Agreement set forth in Attachment 3 entitled "Allowable Costs") and other terms and conditions of this Cooperative Agreement, unless specifically stated in Section 1I. below.

1E. REPORTING

1E.1. Financial Reporting

1E.1.(a) Financial reporting requirements shall be in accordance with the Standard Provision of this Cooperative Agreement entitled "Payment - Periodic Advance," as shown in Attachment 3.

1E.1.(b) All financial reports shall be submitted to A.I.D., Office of Financial Management, FA/FM/CMPD/DCB, Room 700 SA-2, Washington, D.C. 20523-0209. In addition, three copies of all financial reports shall be submitted to the A.I.D. Project Office specified in the Cover Letter of this Cooperative Agreement, concurrently with submission of the Quarterly Technical Reports (See Section 1E.2. below).

1E.1.(c) The frequency of financial reporting and the due dates of reports shall be as specified in the Standard Provision of this Cooperative Agreement referred to in Section 1E.1.(a) above.

1E.1.(d) The Recipient's financial reports shall include expenditures of A.I.D. Cooperative Agreement funds provided hereunder.

1E.2. Quarterly Financial Reports

The Recipient shall comply with the instructions for submission of quarterly financial reports set forth in the section entitled Reports in Attachment 2, "Program Description".

1E.3. Technical/Progress Reports

1E.3.(a) Quarterly Reports (OMB Circular A-110, Attachment H)

The Recipient shall submit brief quarterly program performance reports, which coincide with the financial reporting periods described in Section 1E.1. above, to the A.I.D. Project Office specified in the Cover Letter of this Cooperative Agreement. In addition, two copies shall be submitted to A.I.D., POL/CDIE/DI, Washington, DC 20523-1802. These reports shall be submitted within 30 days following the end of the reporting period. The report should be as brief as possible unless events have occurred that have significant impact upon the program. If the program is progressing on schedule, the report may state that a detailed progress report will be included in the next required Semi-Annual or Annual Report.

1E.3.(b) Semi-annual Reports

The Recipient shall comply with the detailed instructions for submission of semi-annual reports set forth in the section entitled Reports in Attachment 2, "Program Description".

1E.3.(c) Special Reports

Between the required program performance reporting dates, events may occur that have significant impact upon the program. In such instances, the Recipient shall inform the A.I.D. Project Officer as soon as the following types of conditions become known:

1E.3.(c)(1) Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any A.I.D. assistance needed to resolve the situation.

1E.3.(c)(2) Favorable developments or events that enable time schedules to be met sooner than anticipated or more work units to be produced than originally projected.

1E.3.(c)(3) If any performance review conducted by the Recipient discloses the need for change in the budget estimates in accordance with the criteria established in the Standard Provision of this Cooperative Agreement entitled "Revision of Cooperative Agreement Budget," the Recipient shall submit a request for budget revision to the Cooperative Agreement Officer and the A.I.D. Project Office specified in the Cover Letter of this Cooperative Agreement.

1E.4. End of Project (Final) Report

The Recipient shall comply with the detailed instructions for submission of the final report set forth in the section entitled Reports in Attachment 2, "Program Description". Within Ninety (90) days after to the estimated completion date of this Cooperative Agreement (see Section 1B. above), the Recipient shall submit the final report. All work to be charged to this Cooperative Agreement must be completed prior to the expiration date of this Cooperative Agreement. The final end of project status report will provide an overall analysis of the degree to which objectives were achieved. The report shall include a discussion of the types, amounts and sources of all in-kind contributions and other non-Federal donations received and of how they contributed to the successful completion of the program.

1E.5. Report Distribution

Distribution of all technical reports, in English, shall be made in accordance with the following instructions:

To the Project Office:

Agency for International Development
NE/ME
West Bank/Gaza Project Officer
Room 102, SA-2
Washington, D.C. 20523-0219

To the Grant/Cooperative Agreement Office:

Agency for International Development
FA/OP/B/HNE
Cooperative Agreement Officer
Room 1561, SA-14
Washington, D.C. 20523-1424

To the A.I.D. Affairs Office:

A.I.D. Affairs Officer
Economics Office
American Embassy
Tel Aviv, Israel

To the A.I.D. Reference Library:

Agency for International Development
POL/CDIE/DI
Development Information Center
Room 105, SA-18
Washington, DC 20523-1802

1E.6. Evaluation Reports

The AID/NE/ME Project Officer is to receive a copy of all completed evaluation reports carried out by the Recipient in accordance with the section entitled Project Monitoring and Evaluation in Attachment 2, "Program Description". In addition, a copy shall be submitted to A.I.D., POL/CDIE/DI, Washington, DC 20523-1802.

1F. N/A

1G. PROCUREMENT AND (SUB)CONTRACTING

1G.1. Applicability

This Section 1G. applies to the procurement of goods and services by the Recipient and all Subgrantees/Subrecipients (i.e., contracts, purchase orders, consultant's services, etc.) with A.I.D. funds from a supplier of goods and services (see the Standard Provisions of this Cooperative Agreement entitled "Procurement of Goods and Services" and "AID Eligibility Rules for Goods and Services"), and not to assistance provided by the Recipient (i.e., a [sub]grant or subagreement) to a subrecipient (see the Standard Provision of this Cooperative Agreement entitled "Subagreements").

1G.2. Requirements

The provision "Procurement of Goods and Services" contains detailed requirements for competition, documentation of the award process and mandatory contract provisions.

In addition to other applicable provisions of this Cooperative Agreement, the Recipient shall comply with paragraph (b)(2) of the Standard Provision of this Cooperative Agreement entitled "AID Eligibility Rules for Goods and Services," concerning total procurement value of more than \$250,000 under this Cooperative Agreement. Further thereto, the following is (are) the Authorized Geographic Code(s):

1G.2.(a) Authorized Geographic Codes

1G.2.(a)(1) Source, Origin, and Componentry of Goods and Commodities

1G.2.(a)(1)(A) Source, Origin, and Componentry

Except as specified in Sections 1G.2.(a)(1)(B) and 1G.2.(a)(1)(D) below, all goods/commodities shall have their source and origin in the United States (A.I.D. Geographic Code 000), Israel (A.I.D. Geographic Code 271) and West Bank/Gaza (A.I.D. Geographic Code 293), and shall meet A.I.D.'s componentry requirements, except as the Cooperative Agreement Officer may otherwise agree in writing (see also Section 1G.2.(a)(4) below).

1G.2.(a)(1)(B) N/A

1G.2.(a)(1)(C) Local Cost Financing

The Standard Provision of this Cooperative Agreement entitled "Local Cost Financing" will apply if the Recipient procures goods or services from cooperating country sources. Pursuant to said Standard Provision, indigenous goods and imported shelf items provided by local suppliers, and services provided by suppliers who are of cooperating country nationality and located in the cooperating country, are eligible for local cost financing, subject to the restrictions stated in said Standard Provision, and Chapter 18 of Supplement B to A.I.D. Handbook 1, which, as may from time to time be amended, is incorporated herein as a part of this Cooperative Agreement by reference.

1G.2.(a)(1)(D) Ineligible Goods and Services/Restricted Goods

Notwithstanding the foregoing, the restricted goods listed in paragraph (a)(3) of the Standard Provision of this Cooperative Agreement entitled "AID Eligibility Rules for Goods and Services," and, if applicable (see Section 1G.2.(a)(1)(C) above or Section 1K. below for applicability), paragraph (e) of the Standard Provision entitled "Local Cost Financing," must be specifically approved by the Cooperative Agreement Officer, except to the extent that such approval may be provided in Section 1I. below.

1G.2.(a)(2) Eligibility of Commodity-Related Services

1G.2.(a)(2)(A) Ocean Transportation

The eligibility of ocean transportation services is determined by the flag registry of the vessel. Notwithstanding the Standard Provision of this Cooperative Agreement entitled "Ocean Shipment of Goods," ocean shipping financed hereunder shall, except as the Cooperative Agreement Officer may otherwise agree in writing, be financed only on flag vessels of the United States (A.I.D. Geographic Code 000).

If the Cooperative Agreement Officer approves the use of non-U.S. flag vessels, the Standard Provision of this Cooperative Agreement entitled "Ocean Shipment of Goods" will apply. Notwithstanding any of the foregoing, commodities shipped by a transportation medium owned, operated, or under the control of any country not included in A.I.D. Geographic Code 935 (see Section 1G.2.(a)(4)(B) below) are ineligible for A.I.D. financing hereunder, regardless of whether such transportation costs are financed hereunder. Moreover, commodities are ineligible for A.I.D. financing hereunder if shipped on a vessel which A.I.D. has designated as ineligible, regardless of whether such transportation costs are financed hereunder. Commodities are also ineligible for A.I.D. financing hereunder if shipped under an ocean charter that has not received prior approval of the Cooperative Agreement Officer, regardless of whether such transportation costs are financed hereunder.

1G.2.(a)(2)(B) Dead Freight

Transportation costs attributable to dead freight are not eligible for A.I.D. financing.

1G.2.(a)(2)(C) Despatch and Demurrage

If the Recipient finances the delivery costs beyond the port of loading, the Recipient must refund to A.I.D. all despatch earned at the port of unloading. Demurrage costs are ineligible for A.I.D. financing.

1G.2.(a)(2)(D) Air Transportation

The eligibility of air travel and transportation services is determined by the flag registry of the aircraft. The Standard Provision of this Cooperative Agreement entitled "Air Travel and Transportation" applies. Commodities are ineligible for A.I.D. financing hereunder if shipped under an air charter that has not received prior approval of the Cooperative Agreement Officer, regardless of whether such transportation costs are financed hereunder.

1G.2.(a)(2)(E) Marine Insurance

The Authorized Geographic Code for marine insurance is the same as is set forth in Section 1G.2.(a)(3)(B) below. Paragraph (c) of the Standard Provision of this Cooperative Agreement entitled "AID Eligibility Rules for Goods and Services" applies. If the Cooperating Country is authorized for the placement of marine insurance but discriminates against any marine insurance company authorized to do business in any state of the United States, failure to insure all A.I.D.-financed commodities with U.S. insurance companies shall render the commodities ineligible for A.I.D. financing hereunder.

1G.2.(a)(2)(F) Other Delivery Services

No special eligibility requirements pertain to other delivery services (such as export packing, loading, commodity inspection services, and services of a freight forwarder) except that citizens or firms of any country not included in Geographic Code 935 (see Section 1G.2.(a)(4)(B) below) are ineligible as suppliers of delivery services, and non-U.S. citizens lawfully admitted for permanent residence in the U.S. are eligible regardless of their citizenship.

1G.2.(a)(2)(G) Incidental Services

Incidental services are defined as installation or erection of A.I.D.-financed equipment or the training of personnel in the maintenance, operation, and use of such equipment. No special eligibility requirements pertain to incidental services except that citizens or firms of any country not included in Geographic Code 935 (see Section 1G.2.(a)(4)(B) below) are ineligible as suppliers of incidental services, and non-U.S. citizens lawfully admitted for permanent residence in the U.S. are eligible regardless of their citizenship.

1G.2.(a)(3) Nationality of Supplier

1G.2.(a)(3)(A) Suppliers of Goods and Commodities

Except as specified in Section 1G.2.(a)(3)(C) below, the suppliers of goods and commodities shall have their nationality in the United States (A.I.D. Geographic Code 000), Israel (A.I.D. Geographic Code 271) and West Bank/Gaza (A.I.D. Geographic Code 293), except as the Cooperative Agreement Officer may otherwise agree in writing.

1G.2.(a)(3)(B) Suppliers of Services (Other Than
Commodity-Related Services)

Except as specified in Section 1G.2.(a)(3)(C) below, the suppliers of services (other than commodity-related services, as described in Section 1G.2.(a)(2) above) shall have their nationality in the United States (A.I.D. Geographic Code 000), Israel (A.I.D. Geographic Code 271) and West Bank/Gaza (A.I.D. Geographic Code 293), except as the Cooperative Agreement Officer may otherwise agree in writing.

Suppliers of services include consultants providing technical services.

1G.2.(a)(3)(C) Ineligible Suppliers

In accordance with paragraph (a)(2) of the Standard Provision of this Cooperative Agreement entitled "AID Eligibility Rules for Goods and Services," goods or services shall not be procured under this Cooperative Agreement with Federal funds from ineligible suppliers, i.e. firms or individuals whose name appears on the A.I.D. Consolidated List of Debarred, Suspended, and Ineligible Awardees under A.I.D. Regulation 8, entitled "Debarment, Suspension and Ineligibility" (22 CFR 208).

1G.2.(a)(3)(D) Government Owned Organizations

Notwithstanding the foregoing, a Government Owned Organization, i.e., a firm operated as a commercial company or other organizations (including nonprofit organizations other than public educational institutions) which are wholly or partially owned by governments or agencies thereof, are not eligible as suppliers of goods and commodities, commodity-related services, or services (other than commodity-related services), except as the Cooperative Agreement Officer may otherwise agree in writing.

1G.2.(a)(4) Definitions

1G.2.(a)(4)(A) Source, Origin, Componentry, and Nationality of Supplier

Source, origin, componentry requirements, and supplier nationality are defined in Chapter 5 of A.I.D. Handbook 1, Supplement B, which, as may be amended from time to time, is incorporated herein as a part of this Cooperative Agreement by reference (see also Attachment 5 of this Cooperative Agreement which reflects the substance of Chapter 5 of A.I.D. Handbook 1, Supplement B as of the effective date of this Cooperative Agreement).

1G.2.(a)(4)(B) A.I.D. Geographic Codes

A.I.D. Geographic Codes are defined in Appendix D of A.I.D. Handbook 18, which, as may be amended from time to time, is incorporated herein as a part of this Cooperative Agreement by reference (see also Attachment 5 of this Cooperative Agreement which reflects the substance of Appendix D of A.I.D. Handbook 18 as of the effective date of this Cooperative Agreement).

1G.3. Approvals

Inclusion of costs in the budget of this Cooperative Agreement for the purchase of nonexpendable equipment obviates neither the requirement of Section J.13. of OMB Circular A-21 (for educational institutions) or Section 13 of Attachment B of OMB Circular A-122 (for nonprofit organizations other than educational institutions) for prior approval of such purchases by the Cooperative Agreement Officer, nor any other terms and conditions of this Cooperative Agreement, unless specifically stated in Section 1I. below.

1G.4. Title to Property

Title to property acquired hereunder shall vest in the Recipient, subject to the requirements of the Standard Provision of this Cooperative Agreement entitled "Title To and Use of Property (Recipient Title)" regarding use, accountability, and disposition of such property, except to the extent that disposition of property may be specified in Section 1I. below.

1H.1. ESTABLISHMENT OF INDIRECT COST RATE(S)

Pursuant to the Standard Provision of this Cooperative Agreement entitled "Negotiated Indirect Cost Rates - Provisional," an indirect cost rate or rates shall be established for each of the Recipient's accounting periods which apply to this Cooperative Agreement.

The Recipient shall recover indirect expenses up to a maximum of 60% on total SCH direct salaries. The difference between 60% and SCH's actual indirect rate shall be considered cost sharing. If the final audited and negotiated rate(s) for the period(s) of the Cooperative Agreement is less than 60%, A.I.D. shall only reimburse at the actual final negotiated rate(s) included in a Negotiated Indirect Cost Rate Agreement (NICRA) with the U.S. Government.

Pending establishment of final indirect cost rates, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rate(s) applied to the base(s) which is (are) set forth below:

<u>Type of Indirect Rate</u>	<u>Rate</u>	<u>Effective Period</u>	<u>Base of Application</u>
Overhead	60.0%	*/	Total SCH Direct Salaries

*/ Life of the Cooperative Agreement or until an official NICRA with the cognizant U.S. Government Agency is signed.

1H.2. ADVANCE UNDERSTANDING ON CEILING INDIRECT COST RATE(S) AND FINAL REIMBURSEMENT FOR INDIRECT COSTS

1H.2.(a) Notwithstanding any other provisions of this Cooperative Agreement to the contrary, for each of the Recipient's accounting periods during the term of this Cooperative Agreement, including subsequent extensions thereto, the parties agree as follows:

- (1) The distribution base for establishment of final overhead rates is total SCH direct salaries.
- (2) Reimbursement for indirect costs shall be at final negotiated rates, but not in excess of the following ceiling rates:

<u>Type of Indirect Rate</u>	<u>Rate</u>	<u>Effective Period</u>
Overhead	60.0%	Life of the Cooperative Agreement

- (3) The Government shall not be obligated to pay any additional amount on account of indirect costs above ceiling rates established in this contract. Final indirect costs exceeding the rates applied to the base shown above shall be absorbed by the Recipient and considered cost sharing. Other U.S. Government Agreements shall not absorb these costs.
- (4) This advance understanding shall not change any monetary ceiling, cost limitation, or obligation established in this Cooperative Agreement.
- (5) In the event final rates are lower than the provisional or ceiling rates established hereunder, the Government shall pay the lower rate.

1H.2.(b) A determination as to the adequacy and acceptability of the Recipient's current accounting system has not preceded the awarding of this Cooperative Agreement. Nevertheless, to the extent that the allocation and allowability of costs affects the ceiling indirect cost rate negotiated in this Cooperative Agreement, it is understood and agreed that the Recipient shall make no change in this accounting system without the prior written approval of the A.I.D. Cooperative Agreement Officer. Any agreement to modify or change, in any way, the Recipient's current method of allocating costs in the overhead, or other burden center accounts, is subject to negotiation.

1I. SPECIAL PROVISIONS

1I.1. Limitations on Reimbursement of Costs of Compensation for Personal Services and Professional Service Costs

1I.1.(a) Employee Salaries

Except as the Cooperative Agreement Officer may otherwise agree in writing, A.I.D. shall not be liable for reimbursing the Recipient for any costs allocable to the salary portion of direct compensation paid by the Recipient to its employees for personal services which exceed the highest salary level for a Foreign Service Officer, Class 1 (FS-1), as periodically amended. As of the date of this Cooperative Agreement, the FS-1 ceiling is \$86,589 per year.

1I.1.(b) Consultant Fees

Compensation for consultants retained by the Recipient hereunder shall not exceed, without specific approval of the rate by the Cooperative Agreement Officer: either the highest rate of annual compensation received by the consultant during any full year of the immediately preceding three years; or the maximum rate of a Foreign Service Officer, Class 1 (FS-1) (as periodically amended), whichever is less. A daily rate is derived by dividing the annual compensation by 2,087/hrs and multiplying the result by 8 (= 260.875 days). As of the date of this Cooperative Agreement, the maximum daily rate is \$331.92 per day.

1I.2. N/A

1I.3. Publications

1I.3.(a) The Recipient agrees to provide one copy of the manuscript of any proposed publication to the A.I.D. Project Officer not later than submission to the publisher, and to give serious consideration to any comments received from the A.I.D. Project Officer.

1I.3.(b) In the case of publication of any of the reports described in Section 1E.3. and 1E.4. of this Cooperative Agreement, A.I.D. reserves the right to disclaim endorsement of the opinions expressed. For other publications, A.I.D. reserves the right to dissociate itself from sponsorship or publication. In both cases, the Recipient will consult with the A.I.D. Project Officer as to the nature and extent of any A.I.D. disclaimer of endorsement or dissociation from sponsorship or publication.

1I.3.(c) If A.I.D. does not choose to disclaim endorsement or dissociate itself from sponsorship or publication, the Recipient shall, in accordance with the Standard Provision of this Cooperative Agreement entitled "Publications," acknowledge A.I.D. support as follows:

"This publication was made possible through support provided by the U.S. Agency for International Development, under Cooperative Agreement No. HNE-0159-A-00-3049-00."

1I.3.(d) In addition to providing one copy of all published works and lists of other written work produced under this Cooperative Agreement to the A.I.D. Project Officer, as required by paragraph (b) of the Standard Provision of this Cooperative Agreement entitled "Publications," the Recipient shall also provide two copies of such publications and lists to A.I.D., POL/CDIE/DI, Washington, D.C. 20523-1802.

1I.4. Equipment Purchases

1I.4.(a) Requirement for Prior Approval

Pursuant to Sections 1D.3. and 1G.3. above and the Standard Provisions of this Cooperative Agreement entitled "Allowable Costs" and "Revision of Cooperative Agreement Budget," and by extension, Section 13 of Attachment B of OMB Circular A-122, the Recipient must obtain A.I.D. Cooperative Agreement Officer approval for purchases of the following:

1I.4.(a)(1) General Purpose Equipment, which is defined as an article of nonexpendable tangible personal property which is usable for other than research, medical, scientific or technical activities, whether or not special modifications are needed to make them suitable for a particular purpose (e.g., office equipment and furnishings, air conditioning equipment, reproduction and printing equipment, motor vehicles, and automatic data processing equipment), having a useful life of more than two years and an acquisition cost of \$500 or more per unit); and

1I.4.(a)(2) Special Purpose Equipment, which is defined as an article of nonexpendable tangible personal property, which is used only for research, medical, scientific, or technical activities (e.g., microscopes, x-ray machines, surgical instruments, and spectrometers), and which has a useful life of more than two years and an acquisition cost of \$1,000 or more per unit).

1I.4.(b) Approvals

In furtherance of the foregoing, the Cooperative Agreement Officer does hereby provide approval for the following purchases, which shall not be construed as authorization to exceed the total estimated amount or the obligated amount of this Cooperative Agreement, whichever is less (see Section 1C. above):

The "List of Approved Equipment, Materials and Supplies", which will be procured only from authorized source/origins, is incorporated into this Cooperative Agreement as Attachment 6.

A source/origin waiver to Code 899 (Free World) for the purchase of up to \$50,000 worth of electronic hearing aids and commodity related services was approved by the Acting Assistant Administrator for the Near East Bureau on April 9, 1993.

1I.4.(c) Exception for Automation Equipment

Any approval for the purchase of automation equipment which may be provided in Section 1I.4.(b) above or subsequently provided by the Cooperative Agreement Officer is not valid if the total cost of purchases of automation equipment (e.g., computers, word processors, etc.), software, or related services made hereunder will exceed \$100,000. The Recipient must, under such circumstances, obtain the approval of the Cooperative Agreement Officer for the total planned system of any automation equipment, software, or related services.

1I.4.(d) Compliance with A.I.D. Eligibility Rules

Any approvals provided in Section 1I.4.(b) above or subsequently provided by the Cooperative Agreement Officer shall not serve to waive the A.I.D. eligibility rules described in Section 1G. of this Cooperative Agreement, unless specifically stated.

11.5. Restricted Goods

Pursuant to Section 1G. above and paragraph (a)(3) of the Standard Provisions of this Cooperative Agreement entitled "AID Eligibility Rules for Goods and Services," the Cooperative Agreement Officer's approval is required for purchase of the restricted goods described therein. In furtherance thereof, the Cooperative Agreement Officer does hereby provide such approval to the extent set forth below. The Cooperative Agreement Officer's approval is required for purchases of such restricted goods if all of the conditions set forth below are not met by the Recipient. Any approval provided below or subsequently provided by the Cooperative Agreement Officer shall not serve to waive any terms and conditions of this Cooperative Agreement unless specifically stated.

11.5.(a) Agricultural Commodities

Agricultural commodities may be purchased provided that they are of U.S. source (generally, the country from which the commodities are shipped) and origin (generally, the country in which the commodities are mined, grown, or produced) and purchased from a U.S. supplier, except that wheat, rice, corn, soybeans, sorghums, flour, meal, beans, peas, tobacco, hides and skins, cotton, vegetable oils, and animal fats and oils cannot be purchased under any circumstances without the prior written approval of the Cooperative Agreement Officer.

11.5.(b) Motor Vehicles

Motor vehicles, if approved for purchase under Section 11.4.(b) above or subsequently approved by the Cooperative Agreement Officer, must be of U.S. manufacture and must be of at least 51% U.S. componentry. The origin of the motor vehicles, and the nationality of the supplier of the vehicles, must be in accordance with Section 1G.2. above. Motor vehicles are defined as self-propelled vehicles with passenger carriage capacity, such as highway trucks, passenger cars and busses, motorcycles, scooters, motorized bicycles, and utility vehicles. Excluded from this definition are industrial vehicles for materials handling and earthmoving, such as lift trucks, tractors, graders, scrapers, and off-the-highway trucks.

1I.5.(c) Pharmaceuticals

Pharmaceuticals may be purchased provided that all of the following conditions are met: (1) the pharmaceuticals must be safe and efficacious; (2) the pharmaceuticals must be of U.S. source and origin (see Section 1G. above); (3) the pharmaceuticals must be of at least 51% U.S. componentry (see Section 1G. above); (4) the pharmaceuticals must be purchased from a supplier whose nationality is in the U.S. (see Section 1G. above); (5) the pharmaceuticals must be in compliance with U.S. Food and Drug Administration (FDA) (or other controlling U.S. authority) regulations governing United States interstate shipment of pharmaceuticals; (6) the manufacturer of the pharmaceuticals must not infringe on U.S. patents; and (7) the pharmaceuticals must be competitively procured in accordance with the procurement policies and procedures of the Recipient and the Standard Provision of this Cooperative Agreement entitled "Procurement of Goods and Services."

1I.5.(d) Pesticides

Pesticides may only be purchased if the purchase and/or use of such pesticides is for research or limited field evaluation by or under the supervision of project personnel. Pesticides are defined as substances or mixtures of substances: intended for preventing destroying, repelling, or mitigating any unwanted insects, rodents, nematodes, fungi, weeds, and other forms of plant or animal life or viruses, bacteria, or other micro-organisms (except viruses, bacteria, or other micro-organisms on or living in man or other living animals); or intended for use as a plant regulator, defoliant, or dessicant.

1I.5.(e) Rubber Compounding Chemicals and Plasticizers

Rubber compounding chemicals and plasticizers may only be purchased with the prior written approval of the Cooperative Agreement Officer.

1I.5.(f) Used Equipment

Used equipment may only be purchased with the prior written approval of the Cooperative Agreement Officer.

1I.5.(g) Fertilizer

Fertilizer may be purchased if it is either purchased in the U.S. and used in the U.S., or if it is purchased in the cooperating country with local currency for use in the cooperating country. Any fertilizer purchases which do not comply with these limitations must be approved in advance by the Cooperative Agreement Officer.

11.6. Limitation on Use of Funds

11.6.(a) The Recipient shall not utilize funds provided by A.I.D. for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference or training in connection with the growth or production in countries other than the United States of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States. (See 11.5.(a) above.)

11.6.(b) The reports described in Section 1E.3. shall contain a statement indicating the projects or activities to which United States funds have been attributed, together with a brief description of the activities adequate to show that United States funds have not been used for the purpose in Section 11.6.(a) above.

11.6.(c) The Recipient agrees to refund to A.I.D. upon request an amount equal to any United States funds used for the purposes prohibited by Section 11.6.(a) above.

11.6.(d) No funds provided by A.I.D. under this Cooperative Agreement shall be used to provide assistance, either directly or indirectly, to any country ineligible to receive assistance pursuant to the Foreign Assistance Act as amended, related appropriations acts, or other statutes and Executive Orders of the United States (also see the Standard Provision of this Cooperative Agreement entitled "Ineligible Countries").

11.7. Defense Base Act (DBA) and/or Medical Evacuation Insurance

Pursuant to Section J.16. of OMB Circular A-21 (for educational institutions) or Section 18 of Attachment B of OMB Circular A-122 (for nonprofit organizations other than educational institutions), the Recipient is authorized to purchase DBA and/or medical evacuation insurance under this Cooperative Agreement. If DBA insurance is purchased, it shall be purchased from the insurance company or agent with which A.I.D. has a contract to provide DBA insurance for A.I.D. contracts, (if authorized by the terms of the insurance contract valid on the effective of the Cooperative Agreement). The Cooperative Agreement Officer will provide the name, address, and telephone number of such insurance company or agent upon request.

11.8. Conversion of United States Dollars to Local Currency

The Standard Provision of this Cooperative Agreement entitled "Conversion of United States Dollars to Local Currency" requires the Recipient to obtain in writing from the A.I.D. Mission Director the procedure that must be followed if U.S. dollars are to be converted to local currency. For the purposes of this Cooperative Agreement, the Recipient shall consult with the A.I.D. Affairs Officer at the American Embassy in Tel Aviv, Israel. Subject to the A.I.D. Affairs Officer's written concurrence, under this Cooperative Agreement all U.S. dollars shall be converted into Israeli Shekels through the Central Bank of Israel at the official rate of exchange.

1J. COST SHARING AND OTHER CONTRIBUTIONS

1J.1. See 1C.5. above and the Recipient's unsolicited proposal dated April 1992 and revised October 1992, December 1992/January 1993, February 1993 and March 1993, entitled "Services for Handicapped and At-Risk Persons in the Gaza Strip".

1J.2. The Recipient agrees to expend an amount not less than (a) the amount shown in the budget of this Cooperative Agreement for financing by the Recipient and/or others from non-federal funds (see Sections 1D. and/or 1H.), and (b) the amount shown in the budget of this Cooperative Agreement for financing by the Recipient and/or others from other federal funds. Although the Recipient is required to cost share/match on a life-of-program basis, they are also expected to expend those funds on a pro rata basis per year and not wait until the last year of the agreement to expend their cost share match.

1J.3. The Standard Provision of this Cooperative Agreement entitled "Cost Sharing (Matching)" makes reference to project costs. "Project Costs" are defined in Attachment E of OMB Circular A-110 as all allowable costs (as set forth in the applicable cost principles [see the Standard Provision of this Cooperative Agreement entitled "Allowable Costs"]) incurred by a Recipient or subrecipient and the value of in-kind contributions made by the Recipient, subrecipient or non-Federal third parties in accomplishing the objectives of this Cooperative Agreement during the program period. Program income is an allowable cost only if it meets the standards set forth in OMB Circular A-110, Attachment D, and is earned on allowable non-Federal contributions.

1J.4. The restrictions on the use of A.I.D. funds provided hereunder, as set forth in this Cooperative Agreement, do not apply to cost-sharing (matching) or other contributions unless such restrictions are stated in the applicable Federal cost principles (OMB Circular A-21 for Educational Institutions and OMB Circular A-122 for all other non-profits) and/or imposed by the source of such cost-sharing (matching) funds or other contributions.

1K. CLOSEOUT PROCEDURES (OMB Circular A-110, Attachment K)

This clause prescribes uniform closeout procedures for A.I.D. grants and cooperative agreements with recipients.

1K.1. The following definitions shall apply for the purpose of this clause.

- a. Closeout. The closeout of a grant or cooperative agreement is the process by which A.I.D. determines that all applicable administrative actions and all required work of the grant or cooperative agreement have been completed by the Recipient and A.I.D.
- b. Date of completion. The date of completion is the date on which all work under grants and cooperative agreements is completed or the date on the award document, or any supplement or amendment thereto, on which A.I.D. sponsorship ends.
- c. Disallowed Costs. Disallowed costs are those charges to a grant or cooperative agreement that A.I.D. or its representative determines to be unallowable, in accordance with the applicable Federal cost principles.

1K.2. A.I.D. closeout procedures include the following requirements:

- a. Upon request, A.I.D. shall make prompt payments to a recipient for allowable reimbursable costs under the grant or cooperative agreement being closed out.
- b. The recipient shall immediately refund any balance of unobligated (unencumbered) cash that A.I.D. has advanced or paid and that is not authorized to be retained by the recipient for use in other grants or cooperative agreements.
- c. A.I.D. shall obtain from the recipient within 90 calendar days after the date of completion of the grant or cooperative agreement all financial, performance, and other reports required as the condition of the grant or cooperative agreement. A.I.D. may grant extensions when requested by the recipient.
- d. When authorized by the grant or cooperative agreement, A.I.D. shall make a settlement for any upward or downward adjustments to A.I.D.'s share of costs after these reports are received.
- e. The recipient shall account for any property acquired with A.I.D. funds, or received from the Government in accordance with the provisions of OMB Circular A-110, Attachment N, entitled "Property Management Standards."
- f. In the event a final audit has not been performed prior to the closeout of the grant or cooperative agreement, A.I.D. shall retain the right to recover an appropriate amount after fully considering the recommendations on questioned costs resulting from the final audit.

1L. RESOLUTION OF CONFLICTS

Conflicts between any of the Attachments of this Cooperative Agreement shall be resolved by applying the following descending order of precedence:

- Attachment 1 - Schedule
- Attachment 3 - Standard Provisions
- Attachment 4 - Special Provision entitled "Restrictions on Lobbying"
- Attachment 5 - A.I.D. Eligibility Rules/A.I.D. Geographic Codes
- Attachment 2 - Program Description
- Attachment 6 - List of Approved Equipment, Materials and Supplies

1M. STANDARD PROVISIONS

The Standard Provisions set forth as Attachment 3 of this Cooperative Agreement consist of the following Standard Provisions denoted by an "X" which are attached hereto and made a part of this Cooperative Agreement:

1M.1. Mandatory Standard Provisions For Non-U.S., Nongovernmental Grantees

- (X) Allowable Costs (May 1986)
- (X) Accounting, Audit, and Records (May 1991)
- (X) Refunds (September 1990)
- (X) Revision of Grant Budget (May 1986)
- (X) Termination and Suspension (May 1986)
- (X) Disputes (November 1985)
- (X) Ineligible Countries (May 1986)
- (X) Debarment, Suspension, and Other Responsibility Matters (March 1989)
- (X) U.S. Officials Not to Benefit (November 1985)
- (X) Nonliability (November 1985)
- (X) Amendment (November 1985)
- (X) Notices (November 1985)

1M.2. Additional Standard Provisions For Non-U.S., Nongovernmental Grantees

- (X) Payment - Periodic Advance (January 1988)
- (X) Air Travel and Transportation (May 1986)
- (X) Ocean Shipment of Goods (May 1986)
- (X) Procurement of Goods and Services (May 1986)
- (X) AID Eligibility Rules for Goods and Services (May 1986)
- (X) Subagreements (May 1986)
- (X) Local Cost Financing (November 1988)
- (X) Publications (May 1986)
- (X) Nondiscrimination in Federally Assisted Programs (May 1986)

- (X) Regulations Governing Employees (May 1986)
- (X) Participant Training (May 1986)
- (X) Negotiated Overhead Rates - Provisional (November 1984)
- (X) Title To and Use of Property (Grantee Title) (May 1986)
- (X) Cost Sharing (Matching) (May 1986)
- (X) Conversion of United States Dollars to Local Currency
(November 1985)
- (X) Public Notices (August 1992)
- (X) Restrictions on Lobbying

ATTACHMENT 2

PROGRAM DESCRIPTION

Introduction:

The Recipient's unsolicited proposal dated April 1992 and revised October 1992, December 1992/January 1993, February 1993 and March 1993, entitled "Services for Handicapped and At-Risk Persons in the Gaza Strip" is incorporated by reference in its entirety and is made a part of this Cooperative Agreement. In the event of an inconsistency, the Program Description set forth in this Attachment 2 shall take precedence over SCH's proposal.

Attachment 2

PROGRAM DESCRIPTION

Society for the Care of the Handicapped Gaza

Background:

SCH was founded in 1975 to provide training and care to mentally and physically handicapped children in the Gaza Strip. SCH has been an AID grantee for eight years and has received a total of \$6.3 million in grants to date. This project and cooperative agreement supersede existing A.I.D. Grant to SCH, #ANE-0159-G-SS-9046-00 (PACD 9/30/93), which provides \$4.6 million for a home-based program for approximately 4000 children.

Project Content

The project consists of the integration of activities under existing Grant ANE-0159-G-SS-9046-00 and activities under the hearing, speech and language proposal as follows:

a. From Grant ANE-0159-G-SS-9046-00:

Salaries and complete support (e.g. transportation, 3 month on-going training programs, supplies) for 137 home teachers, 22 supervisors and 6 directors. This staff implements a program in support of

- 750 mentally handicapped at 2 sites (ages 0-9);
- 3000 non-handicapped/at risk at 4 sites, ages 0-4;

b. From the hearing, language and speech proposal:

1. - home-based program for 480 communication impaired children at 1 site;
2. - home-based services for 240 additional mentally handicapped children;
3. - 3 years of professional training for not fewer than 35 audiologists, pathologists, and teachers of deaf;
4. - technical training for an ear mold technician and a hearing aid repair technician;
5. - creation of a Hearing & Speech Center for children and adults;

6. - creation of an Ear Mold Laboratory; and
7. - salaries, and complete support including on-going 3-month training programs for 25 home teachers and 4 supervisors on communications disorders.

Length of Project

The length of project is three years.

Life of Project Funding

The total estimated amount of the project is \$9,685,000 million. The budget is presented in Attachment A. Incremental funding for years two and three will be subject to the availability of funds and SCH satisfying the conditions specified in the A.I.D. Project Management (Substantial Involvement) section below.

Expected Project Activities and Project Outcomes (end of project status)

This is a multi-faceted project. Project activities and their projected outcomes are summarized below by project component.

General:

Arabized training, diagnostic, therapeutic and other materials are adapted and used successfully in Gaza. They are appropriate for local use and relevant for dissemination elsewhere in the Arab World.

SCH works collaboratively with other Gazan and West Bank organizations that serve the handicapped and at-risk populations. SCH makes scheduled training and materials available to such organizations and responds to requests for technical assistance that is within SCH capability to provide.

Personnel Training:

At least 35 Palestinian trainees successfully complete a three-year professional training program as follows:

- 15 educators of the deaf;
- 10 speech-language pathologists; and
- 10 audiologists.

The trainees commit themselves to employment in Gaza Strip and the West Bank to meet local needs. The trained personnel needed are available and hired to staff SCH services and provide training to meet SCH needs including home-based teachers of the speech-language and hearing impaired. Trainees whose services are not needed in the West Bank and Gaza are available to meet needs in other parts of the Arab World. Their services are in demand and they find employment.

Speech and Hearing Clinic:

A Speech and Hearing Clinic is created and is operating in a self-sustaining manner within three years. The Clinic provides:

- diagnostic services to 500- 1000 persons/year;
- treats to 200 - 300 persons/year; and
- makes referrals to medical and social services on a regular basis.

The Clinic promotes public awareness and prevention through 2 programs it implements each year and that in turn result in early detection of communication problems among children and adults.

A diagnostic and treatment speech-language-hearing service that includes hearing aid testing and fitting, an earmold lab, and a therapy and counseling service are fully staffed and operating in a sustainable manner.

Home-Training Programs:

Home-training for the handicapped and at-risk population serve approximately 3500-4000 children and their families weekly.

The work of the home teachers with handicapped, speech-communication-language impaired children results in the targeted level of improvement and in X % percentage of the children being mainstreamed into the normal school system.

The work of home teachers with at-risk children results in permanent gains.

A.I.D. Project Management Role

It is understood and agreed that A.I.D. will be involved in the project activities summarized above and described in the project proposal in the following manner:

The A.I.D. Affairs Officer for the West Bank and Gaza or his designee will monitor the implementation of this project. The Near East Bureau Project Officer for the West Bank and Gaza will have overall A.I.D. responsibility for management of the cooperative agreement. SCH will seek A.I.D. approval prior to implementing changes in the program (see "Program Content") described above.

A.I.D. may request SCH to prepare additional justification or documentation prior to implementation of project activities in the following instances: In the judgement of the A.I.D. Affairs Officers or the Near East Bureau Project Officer

- activities implemented require additional planning and design; or
- activities are inconsistent with the A.I.D. Strategy for the West Bank and Gaza; or

- activities duplicate those undertaken by another A.I.D.-funded PVO.

SCH will not increase the total home-based staff of 162 teachers, 26 supervisors and 6 directors funded under this project without prior A.I.D. approval. Within the 162 total, the number of teachers of the handicapped may be increased and the teachers of at risk children reduced. However, the number of teachers of at risk children will not exceed 100. The number of teachers of the handicapped of all categories will not be less than 62 and, within that total, the number of hearing, language and speech impaired teachers will not be less than 25. Initial project start staff assignments are as follows:

- 100 home based teachers of 3000 at risk children
- 25 home based teachers of the hearing, language, speech impaired children
- 37 home based teachers of 740 handicapped children
- 26 supervisors
- 6 directors

Within six months of the signing of the cooperative agreement, SCH will provide A.I.D. with a specific written plan for the collection and use of fees along the lines of the following principles:

- The fees SCH collects will be used for purposes consistent with the purposes of this cooperative agreement.
- Families and individuals paying fees or benefitting from the expanded services offered as a result of the collected fees will be considered beneficiaries under the cooperative agreement.
- Families with an income of \$300/month or less will not be charged fees.
- SCH will introduce a registration fee to be charged to new families benefitting from the Home Based Educational Program. The estimated fee is 5 NIS per family.
- SCH will collect regular monthly fees for the Home-Based Program from beneficiaries with monthly incomes exceeding \$300. at the rate of ___ NIS per family.
- Under the Speech and Hearing Center Program, SCH will collect fees for services and equipment from those who can afford to pay so that at the end of the three years, operating costs will be fully paid from the fees. These operating costs are estimated at \$80,000 per annum. It is recognized that the income from fees will be gradually increased over the three year grant period so that at the end of the three years, approximately \$80,000 will be

available to cover operating costs from fees.

- SCH agrees to report to AID semi-annually on the amount of fees collected and how they are utilized.

SCH will provide the following for the concurrence of the A.I.D. Near East Bureau designated project officer:

- a copy of substantive provisions of any subordinate agreement or contract for services related to the SCH project including the agreement or sub-contract with Lamar University,
- a copy of the agreement with trainees benefitting from professional training, and
- the position description for the project grant manager.

Reports

The following reports are to be submitted by the Grantee to the A.I.D. Project Officer:

A. Semi-Annual Progress Reports to be submitted to A.I.D. before November 1 and May 1 each year (unless otherwise agreed upon with the responsible A.I.D. Project Officer). The semi-annual reports will be subject to internal review by the Near East Bureau. Ten (10 paper copies and one on disc in Word Perfect 5.1 will be submitted. Reports shall consist of the following:

1. Cover sheet (one page), listing project purpose, expected outputs, brief description of project status, and major actions over the following six months
2. Body of the Report (nine to twelve pages), addressing:
 - results and accomplishments during reporting period and since project inception relating to the grant objectives;
 - initial indication of impact;
 - progress on indicators (use indicator monitoring chart)
 - gender equity
 - identification and explanation of problems and/or delays;
 - actions taken or contemplated to resolve problems/delays;
 - status of expenditures and pipeline by Cooperative Agreement line items (use provided budget summary form);
 - "success stories" of on-going activities;
 - other pertinent information, such as reports,

research, studies or assessments carried out under this grant; comment on these in the report and attach

- Progress in implementing the plan for the collection of fees and the use of the fees;
- Information on collaborative assistance provided to West Bank and Gaza organizations engaged in working with the handicapped such as technical assistance and training materials that are within SCH capability.

3. List of Activities in a tabular annex should include descriptions of actual and planned project activities by site and organization including start and end dates, funding level budgeted and expended where applicable, results and accomplishments, problems identified and means of resolution, and steps taken and progress towards the group/institution development or improving financial and institutional sustainability.

4. Value Added Taxes (VAT) and customs duties. SCH will report on the status of VAT and customs duties taxes, noting relevant observations and explanations. This information will be attached to the semi-annual report. The report should be cumulative, life of project and not limited to the six-month reporting period. The following is the suggested format:

Taxes and customs duties charged
Taxes and customs duties paid
Taxes and customs duties non-collectible
Taxes and customs duties refunds requested
Taxes and customs duties refunded
Taxes and customs duties outstanding
Estimated amount outstanding more than 6 months

- B. Final Report due within ninety (90) days of termination of the agreement and limited to 25 pages, not including annexes. The report should summarize the total experience of the program and address the same items required for the semi-annual reports. Findings of evaluations and actions taken to address the findings will be summarized. The Grantee will submit ten (10) copies of this report and one on disc in Word Perfect to the Project Officer.
- C. Financial Reports shall be submitted Quarterly utilizing Form 269 to the Project Officer (one copy), to the Grants Officer (one copy), and to the Office of Financial Management.
- D. Special Reports which may be requested from time to time by

A.I.D.

Program Performance Indicators

The Grantee will submit for A.I.D. concurrence a list of Program Performance Indicators related to the grant objectives within three months of the initial date of this project together with a description of how they were developed and how data will be collected. The Grantee will report on the status of these indicators in each semi-annual report.

Implementation Plans

The Grantee will submit implementation plans showing how project funds will be used over the next six months. The first implementation plan will be submitted one month following the execution of this agreement. The A.I.D. Project Officer will provide written concurrence with this implementation plan within one month of receipt. Thereafter, 6 month implementation plans will be submitted with the Semi-Annual Report (see item A-2 above). The implementation plan will cover: actions on activities, assessments, evaluations, actions taken to correct problems, planning activities such as monitoring plans, training schedules, and planned travel of consultants and project staff. While this clearance process is the preferred mechanism, the Grantee may seek separate A.I.D. concurrence for project activities which could not be included in the relevant implementation plan.

International Travel

Whenever international travel is carried out using funds provided under this Grant Agreement, the Grantee will be responsible for obtaining the A.I.D. Affairs Officer's or alternatively the Embassy clearance. The Grantee will then advise the A.I.D. Project Officer in Washington in writing two weeks in advance of travel of the names, dates, purpose of proposed travel, and verify that Embassy clearance has been received. These international travel requirements may change from time to time in accordance with changes in A.I.D. regulations. This paragraph only replaces paragraph (a) in "Air Travel and Transportation" of the Additional Standard Provisions.

Coordination with Related A.I.D.-Funded Activities

The Grantee should coordinate its program activities under this Grant Agreement with other organizations and with A.I.D.-funded PVOs implementing programs in the West Bank and Gaza on a regular basis (at least bimonthly) sufficient to ensure non-duplication of effort and identification of areas for mutual concentration of resources and technical support. A.I.D.-related

coordination will cover technical and sectoral areas (rehabilitation, health, infrastructure, training, etc.) as well as administrative areas (GOI approvals, A.I.D. procedures, etc.) and program management (e.g. evaluation, audits).

Reprogramming of Funds

Funds provided under this agreement may be reprogrammed in accordance with U.S. Government regulations.

Conversion of United States Dollars to Local Currency

The Grantee shall consult with the A.I.D. Affairs Officer (or his designee) responsible for Gaza who shall provide, in writing, the procedure the grantee and its employees shall follow and the applicable exchange rate for the conversion of United State dollars to local currency.

Project Monitoring and Evaluation

A. Monitoring

1. SCH and A.I.D. will conduct joint annual reviews of progress to date under this agreement. The first review will take place before the second tranche of project funding is obligated.

2. The Grantee will facilitate access to all project sites by officers of the U.S. Government in official vehicles to monitor project activities.

B. External Evaluation

The Grantee will cooperate with A.I.D. on external, independent evaluations of this project and sub-projects. Evaluations will take place approximately midterm in project implementation and as otherwise agreed by the Grantee and the A.I.D. Project Officer. A.I.D. will be involved in the development of the scope of work for evaluations and decisions of team members composition, including whether an A.I.D. officer will participate on the team. Additional external evaluations may be required by A.I.D. on an ad hoc basis. If a request for a follow-on project is under consideration, a final evaluation will be carried out.

C. Other Evaluations: The Grantee may hold additional evaluations, as needed, which may be carried out as described above or on an internal basis, at the discretion of the Grantee.